

TISA

Tennessee Investment in Student Achievement

Determining Local Contribution Training Module



Objectives

- Local Contribution
- TISA Formula - Local Contribution Elements
- Key Terms
- Steps to Calculation

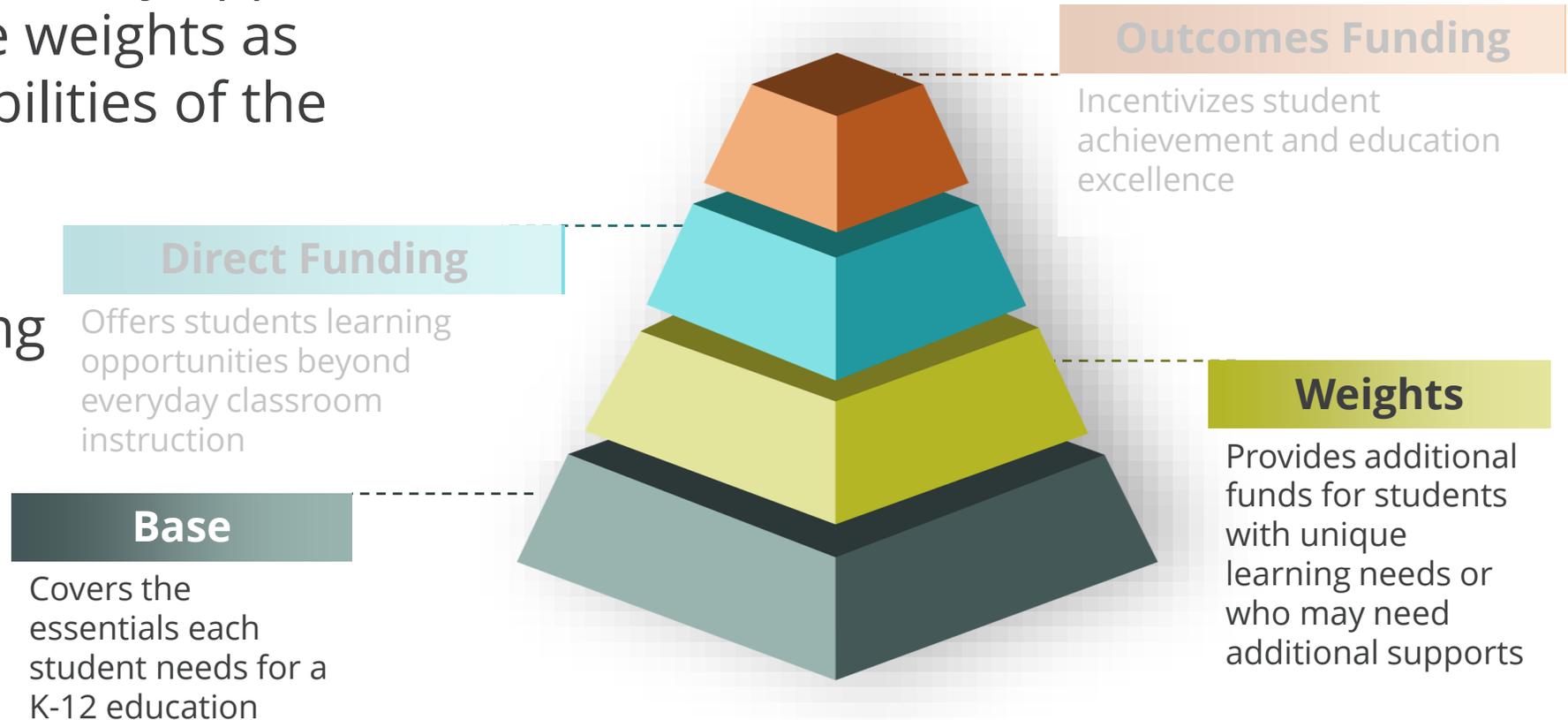
Local Contribution

- Funding is a shared responsibility between the state and local governments.
- TISA first calculates the total formula education dollars.
- Local contribution calculates how much of the total funding will be provided by the state and how much will be provided by each local government.



TISA - Local Contribution Elements

- Local contribution only applies to the base and the weights as shared responsibilities of the state and locals.
- Direct and outcomes funding are 100% state funded.



Key Terms

- **Local Share:** Set percentage of *all* funds statewide generated for the base and weights for which local governments are responsible (30%)
- **Fiscal Capacity:** Calculation using CBER and TACIR to measure each county's ability to raise funds to support education
- **Local Contribution:** Funding amount each individual district is expected to receive from its local funding entity
- **Maintenance of Effort:** Requires local funding bodies to budget the same or more funds to education as in the immediately prior year (not changed under TISA)

Steps to Calculation

1. Determining Local Share
2. Applying Fiscal Capacity
3. Multi-System County Calculation
4. Totaling Base & Weights Local Contributions



Step 1 - Determining Local Share

TISA State & Local Contributions Estimate					
		BASE			WEIGHTS
1. Calculation of Statewide Local Share					
Statewide Total		\$6,600,000,000			\$1,700,000,000
Multiply by Local Share %	x	30%		x	30%
Statewide Local Share	=	\$1,980,000,000		=	\$510,000,000

The total of all funds statewide generated for the base and weights respectively multiplied by the legal requirement of the 30% local share.



Step 2 - Applying Fiscal Capacity

TISA State & Local Contributions Estimate					
		BASE			WEIGHTS
1. Calculation of Statewide Local Share					
Statewide Total		\$6,600,000,000			\$1,700,000,000
Multiply by Local Share %	x	30%		x	30%
Statewide Local Share	=	\$1,980,000,000		=	\$510,000,000
2. Application of County Fiscal Capacity					
Statewide Local Share		\$1,980,000,000			\$510,000,000
Sample County Fiscal Capacity	x	0.75%		x	0.75%
Sample County Local Contribution (All Systems)	=	\$14,850,000		=	\$3,825,000

The TISA formula uses Fiscal Capacity indices from the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) and the Boyd Center for Business and Economic Research (CBER) at the University of Tennessee provided no later than May 1 each year, weighted equally, to determine the Fiscal Capacity of each county.



Step 3 - Multi-System County Calculation

TISA State & Local Contributions Estimate					
		BASE			WEIGHTS
2. Application of County Fiscal Capacity					
Statewide Local Share		\$1,980,000,000			\$510,000,000
Sample County Fiscal Capacity	x	0.75%		x	0.75%
Sample County Local Contribution (All Systems)	=	\$14,850,000		=	\$3,825,000
3. Multi-System County Calculation					
		Base Funds Generated			Weight Funds Generated
Sample County		\$30,000,000			\$8,500,000
All Systems within County Total	/	\$70,000,000		/	\$15,000,000
Sample County % of County Total Funds	=	42.86%		=	56.67%

For each the base and the weights, the multi-system county calculation determines what proportion of overall base funding and weights funding was generated by each individual district within the county out of the county's total generated funds.

Step 3 - Multi-System County Calculation

Continued

TISA State & Local Contributions Estimate					
3. Multi-System County Calculation					
		Base Funds Generated			Weight Funds Generated
Sample County		\$30,000,000			\$8,500,000
All Systems within County Total	/	\$70,000,000		/	\$15,000,000
Sample County % of County Total Funds	=	42.86%		=	56.67%
Sample County % of County Total Funds		42.86%			56.67%
County Local Contribution (All Systems)	x	\$14,850,000		x	\$3,825,000
Sample County Local Contribution	=	\$6,364,710		=	\$2,167,627.50

The sample district's proportional share of the county's total base funds is then multiplied by the county's total local contribution for the base to get the district specific local contribution. The math is repeated for the weights.

Step 4 - Totaling Local Contribution

TISA State & Local Contributions Estimate					
3. Multi-System County Calculation					
Sample County Local Contribution	=	\$6,364,710	=	\$2,167,627.50	
4. Total Local Contribution					
Adding Local Contribution Totals		\$6,364,710	+	\$2,167,627.50	
			=	\$8,532,337.50	
		Total Funding (Base, Weights, Direct)		\$41,000,000.00	
			Local	-	\$8,532,337.50
			State	=	\$32,467,662.50

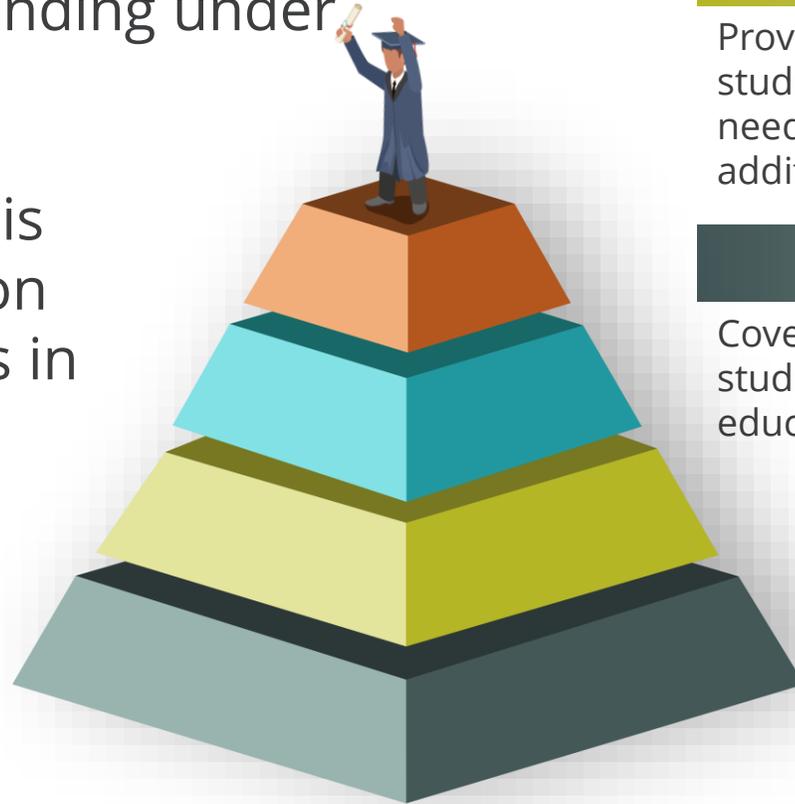
The local contribution determined for the base is added to the total determined for the weights to generate the overall required local contribution. Subtracting this amount from the TISA allocations for the base, weights, and direct funding lines provides the total state funding generated for the district.

Putting It All Together

TISA State & Local Contributions Estimate					
1. Calculation of Statewide Local Share		BASE			WEIGHTS
Statewide Total		\$6,600,000,000			\$1,700,000,000
Multiply by Local Share %	x	30%		x	30%
Statewide Local Share	=	\$1,980,000,000		=	\$510,000,000
2. Application of County Fiscal Capacity					
Statewide Local Share		\$1,980,000,000			\$510,000,000
Sample County Fiscal Capacity	x	0.75%		x	0.75%
Sample County Local Contribution (All Systems)	=	\$14,850,000		=	\$3,825,000
3. Multi-System County Calculation		Base Funds Generated			Weight Funds Generated
Sample County		\$30,000,000			\$8,500,000
All Systems within County Total	/	\$70,000,000		/	\$15,000,000
Sample County % of County Total Funds	=	42.86%		=	56.67%
County Local Contribution (All Systems)	x	\$14,850,000		x	\$3,825,000
Sample County Local Contribution	=	\$6,364,710		=	\$2,167,627.50
4. Total Local Contribution					
Adding Local Contribution Totals		\$6,364,710		+	\$2,167,627.50
			=		\$8,532,337.50

Putting It All Together

- The local contribution is the minimum amount that must be budgeted by the district in order for the district to be eligible to receive state funding under TISA. (MOE requirements still apply.)
- The local contribution for each district is subtracted from the total TISA allocation (**base, weights and direct**) and results in the state share of funding for the district.
- Estimated and final allocations display the same steps noted here for determining local contribution.



Direct Funding

Offers students learning opportunities beyond everyday classroom instruction

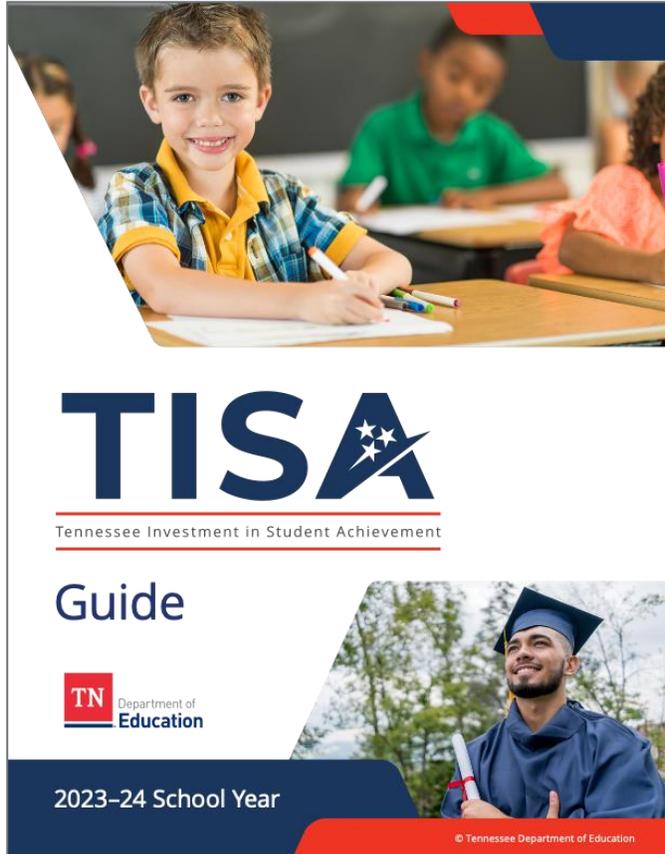
Weights

Provides additional funds for students with unique learning needs or who may need additional supports

Base

Covers the essentials each student needs for a K-12 education

More Information



<https://www.tn.gov/education/best-for-all/tnedufunding.html>

- TISA Formula Local Contribution Quick Guide
- Additional resources on fiscal capacity, including current year county data

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